

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TITAGARH WAGONS LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Titagarh Wagons Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

Price Waterhouse & Co Chartered Accountants LLP, 56 & 57, Block DN, Ground Floor,
Salt Lake, Kolkata - 700091, India
T: +91 (33) 44001111 / 44662000, F: +91 (33) 44043065

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Titagarh Wagons Limited
Report on the Standalone Ind AS Financial Statements
Page 2 of 3

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 19, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.




Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Titagarh Wagons Limited
Report on the Standalone Ind AS Financial Statements
Page 3 of 3

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants



Avijit Mukerji
Partner
Membership Number 056155

Kolkata
May 29, 2018



TITAGARH WAGONS LIMITED						
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107						
STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018						
(Rs. in Lacs)						
Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
		Audited (Refer Note 3)	Unaudited	Audited	Audited	Audited
1	Revenue from Operations (Refer Note 2)	6,719.85	8,715.63	10,683.27	31,652.05	37,033.60
2	Other Income	704.40	412.14	966.44	2,328.20	2,431.36
3	Total Income	7,424.25	9,127.77	11,649.71	33,980.25	39,464.96
4	Expenses					
a)	Cost of Raw Materials & Components Consumed	5,036.88	4,355.30	6,699.48	15,842.90	21,357.12
b)	Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	(781.12)	61.72	(2,105.65)	1,968.89	(1,638.90)
c)	Excise Duty Expense (Refer Note 2)	-	-	848.01	256.17	2,115.42
d)	Employee Benefits Expense	704.96	655.81	574.52	2,873.03	2,255.15
e)	Finance Costs	324.61	224.47	154.37	864.45	438.44
f)	Depreciation and Amortisation Expense	333.15	339.62	440.58	1,297.20	1,156.02
g)	Other Expenses	3,066.76	2,921.58	4,233.12	10,956.40	11,150.30
	Total Expenses (a to g)	8,685.24	8,558.50	10,844.43	34,059.04	36,833.55
5	Profit/(Loss) before Exceptional Items and Tax (3-4)	(1,260.99)	569.27	805.28	(78.79)	2,631.41
6	Exceptional Items	-	-	-	-	-
7	Profit/(Loss) before Tax (5-6)	(1,260.99)	569.27	805.28	(78.79)	2,631.41
8	Tax Expense					
a)	Current tax including tax relating to earlier years	(17.32)	125.69	(212.53)	171.87	531.64
b)	Deferred Tax - Charge / (Credit)	(710.68)	51.07	316.45	(542.20)	171.40
	Total Tax Expense	(728.00)	176.76	103.92	(370.33)	703.04
9	Profit/(Loss) for the Period (7-8)	(532.99)	392.51	701.36	291.54	1,928.37
10	Other Comprehensive Income					
	Item that will not be reclassified to profit or loss:					
	Remeasurement gains/(losses) on defined benefit plans	(33.88)	15.79	5.15	(5.63)	(21.04)
	Income tax relating to above	11.75	(5.47)	(1.78)	1.97	7.28
	Total Other Comprehensive Income	(22.13)	10.32	3.37	(3.66)	(13.76)
11	Total Comprehensive Income for the Period (9+10)	(555.12)	402.83	704.73	287.88	1,914.61
12	Paid up Equity Share Capital (Face value Rs. 2/- each)	2,310.01	2,309.03	2,308.24	2,310.01	2,308.24
13	Earnings/(Loss) per Equity Share (of Rs. 2/- each) (Not Annualised)					
	- Basic (Rs.)	(0.46)	0.34	0.61	0.25	1.67
	- Diluted (Rs.)	(0.46)	0.34	0.60	0.25	1.66

Handwritten signature



TITAGARH WAGONS LIMITED						
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107						
SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES						
		(Rs. in Lacs)				
		STANDALONE				
Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
		Audited (Refer Note 3)	Unaudited	Audited	Audited	Audited
1	Segment Revenue					
	a) Wagons & Coaches	5,115.49	6,237.27	8,485.05	23,260.62	29,341.56
	b) Specialised Equipments & Bridges	144.11	856.52	2,011.17	4,150.84	7,171.51
	c) Shipbuilding	1,383.05	1,238.71	-	3,516.72	-
	d) Others	77.20	383.13	187.05	723.87	520.53
	Sales/ Income from Operations	6,719.85	8,715.63	10,683.27	31,652.05	37,033.60
2	Segment Results [Profit / (Loss) before tax and interest]					
	a) Wagons & Coaches	(758.40)	555.95	453.10	18.83	2,023.09
	b) Specialised Equipments & Bridges	(244.03)	59.60	409.18	619.93	1,398.55
	c) Shipbuilding	180.61	214.63	(9.39)	549.08	(192.19)
	d) Others	47.18	109.54	150.19	248.84	298.48
	Total	(774.64)	939.72	1,003.08	1,436.68	3,527.93
	(Add) / Less :					
	i Interest Income - Net	(45.73)	(100.54)	(183.02)	(683.71)	(992.33)
	ii Unallocable expenditure net of income	532.08	470.99	380.82	2,199.18	1,888.85
	Total Profit before Tax	(1,260.99)	569.27	805.28	(78.79)	2,631.41
3	Segment Assets					
	a) Wagons & Coaches	47,843.20	46,678.95	50,108.67	47,843.20	50,108.67
	b) Specialised Equipments & Bridges	7,252.16	5,532.15	5,366.14	7,252.16	5,366.14
	c) Shipbuilding	6,121.34	3,664.46	653.85	6,121.34	653.85
	d) Others	605.34	1,117.18	757.05	605.34	757.05
	e) Unallocable	56,432.01	53,725.83	50,909.05	56,432.01	50,909.05
	Total	118,254.05	110,718.57	107,794.76	118,254.05	107,794.76
4	Segment Liabilities					
	a) Wagons & Coaches	6,026.55	3,962.57	6,299.61	6,026.55	6,299.61
	b) Specialised Equipments & Bridges	2,259.30	2,090.84	2,394.44	2,259.30	2,394.44
	c) Shipbuilding	7,182.45	2,063.33	817.09	7,182.45	817.09
	d) Others	327.68	484.80	113.26	327.68	113.26
	e) Unallocable	13,471.39	12,651.23	8,687.64	13,471.39	8,687.64
	Total	29,267.37	21,252.77	18,312.04	29,267.37	18,312.04

tm



TITAGARH WAGONS LIMITED
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
STANDALONE BALANCE SHEET

Sl. No.	PARTICULARS	(Rs in Lacs)	
		As at	
		March 31, 2018	March 31, 2017
		Audited	Audited
	ASSETS		
1	Non-current Assets		
	a) Property, Plant and Equipment	28,865.72	29,142.79
	b) Capital Work-in-progress	1,210.56	172.70
	c) Intangible Assets (Other than Goodwill)	1,336.90	1,580.59
	d) Intangible Assets under Development	387.29	315.73
	e) Financial Assets		
	i) Investments	38,356.86	36,308.82
	ii) Trade Receivables	88.11	169.98
	iii) Loans and Deposits	183.20	164.90
	iv) Other Financial Assets	192.37	173.77
	f) Non-current Tax Assets (Net)	1,633.46	2,458.87
	g) Other Non-current Assets	276.37	733.98
	Sub total - Non-current Assets	72,530.84	71,222.13
2	Current Assets		
	a) Inventories	13,261.33	15,007.14
	b) Financial Assets		
	i) Trade Receivables	10,497.90	11,005.52
	ii) Cash and Cash Equivalents	272.84	468.55
	iii) Bank Balances other than (ii) above	1,244.48	1,146.89
	iv) Loans and Deposits	7,629.33	2,858.44
	v) Other Financial Assets	6,873.70	3,281.94
	c) Current Tax Assets (Net)	1,010.99	306.77
	d) Other Current Assets	4,932.64	2,497.38
	Sub total - Current Assets	45,723.21	36,572.63
	TOTAL - ASSETS	118,254.05	107,794.76
	EQUITY AND LIABILITIES		
	EQUITY		
	a) Equity Share Capital	2,310.01	2,308.24
	b) Other Equity	86,676.67	87,174.48
	Sub total - Equity	88,986.68	89,482.72
	LIABILITIES		
1	Non-current Liabilities		
	a) Provisions	275.25	318.07
	b) Deferred Tax Liabilities (Net)	2,968.07	3,512.23
	c) Other Non-current Liabilities	11.01	25.71
	Sub total - Non-current Liabilities	3,254.33	3,856.01
2	Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	9,916.30	4,336.63
	ii) Trade Payables	3,699.95	3,653.30
	iii) Other Financial Liabilities	416.01	610.89
	b) Other Current Liabilities	10,753.55	4,537.60
	c) Provisions	1,227.23	1,317.61
	Sub total - Current Liabilities	26,013.04	14,456.03
	TOTAL - LIABILITIES	29,267.37	18,312.04
	TOTAL - EQUITY AND LIABILITIES	118,254.05	107,794.76

Handwritten signature



TITAGARH WAGONS LIMITED
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

Notes:

- 1 Operating segments based on the Company's products have been identified as "Wagons & Coaches", "Specialised Equipments & Bridges", "Shipbuilding" and "Others". Segment "Others" consists of miscellaneous business like heavy earth moving machineries etc. Segment "Shipbuilding" has been shown separately from the financial year ended March 31, 2018 as it has become a separate reportable segment.
- 2 Post applicability of Goods and Service Tax (GST) w.e.f July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and other expenses for the quarter and the year ended March 31, 2018 are not comparable with the corresponding periods presented in the results.
- 3 The figures for last quarter are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the published year to date figures upto December 31, 2017, being the date of end of the third quarter of the financial year ended March 31, 2018 which were subject to limited review.
- 4 Figures for the previous periods have been regrouped / rearranged wherever necessary to conform to the current period's classification.
- 5 During the year, there was delay in release of bulk orders by Indian Railways due to which Company did not have sufficient wagon orders for major part of the year. However, the bulk order for 1147 wagons worth Rs. 270.18 crores has been received from Indian Railways on 28th Dec 2017 and also orders from private customers have been booked during the quarter ended March 31, 2018, execution of which has started from the first quarter of FY18-19.
- 6 During the quarter ended March 31, 2018, the Board has allotted 48,750 equity shares of Rs.2/- each fully paid up pursuant to Employee Stock Option Scheme, 2014 of the Company to the eligible employees which has resulted in increase of the paid up capital of the Company by Rs 0.97 lacs to Rs 2,310.01 lacs.
- 7 The Board of Directors has recommended a dividend of Re 0.30 per equity share of face value of Rs 2/- each (i.e. @ 15%) subject to approval of the shareholders in the ensuing Annual General Meeting.
- 8 The above standalone financial results for the quarter and year ended March 31, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2018.

For and on behalf of the Board of Directors

Place: Caserta, Italy

Date: May 29, 2018


UMESH CHOWDHARY
Vice Chairman & Managing Director



